

INFORMATION REPORT

COUNTRY China

SUBJECT Expansion of Chuchou Arsenal

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1. In January the Ordnance Administration of the Central and South China Area Command began to expand the Chuchou (113-06, 27-53) Arsenal by constructing factory buildings and reconstructing machinery left behind by the Nationalists. Twelve machine tools for making machine-guns have been brought from the Soviet Union.
2. This arsenal has become one of the best in the Central and South China area. It employs 4,570 workers in three shifts of eight hours each. The wage scale of workers has been increased to eight salary points¹ per person daily; consequently, the workers' morale is high.
3. This arsenal produces light and heavy machine-guns, rifles, hand grenades, and rifle and machine-gun ammunition. Current production figures are small but the output in March 1951 was 385 times that of January 1951.

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1. **Comment.** Salary points are units used by the Chinese Communists to compute workers' wages. Each salary point includes 0.8 catties of medium-grade rice, 0.2 feet of white cloth, 0.05 catties of edible oil, 0.02 catties of salt, and 2.5 catties of fire wood. The monetary value of each salary point is announced by local authorities on the 5th, 10th, 20th, 25th, and 30th day of each month, according to the current retail prices of those commodities as used by the government trading companies. On 16 May 1951 each salary point had a monetary value of JMP 2,800.

REPORT SUSPECT BUT NOT SPURIOUS

Memo FI/RQM/IA to CIA Library
23 June 1954

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